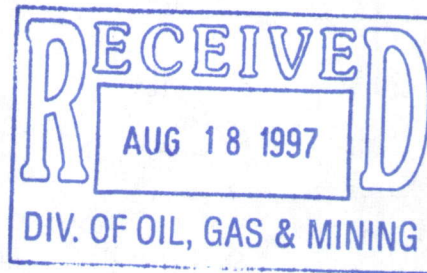




United States Department of the Interior

BUREAU OF LAND MANAGEMENT HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North
Fillmore, UT 84631



IN REPLY REFER TO:
3800
(U-055)
UTU-075847

August 14, 1997

STEVEN SORENSON
KSC ROCKS
235 N MAIN
KANOSH UT 84637



Dear Mr. Sorenson:

Your notice to conduct mining related operations on unpatented mining claims, UMC serial numbers, located in NW/4, Sec. 14, T. 24 S., R. 9 W., SLBM, was received on July 30, 1997, and has been accepted by this office. Your notice has been assigned case file number UTU-075847. Please use this number in any future correspondence concerning this notice.

If you change your operation from what is described in your notice, you are required to contact this office prior to the change. If your operation extends for more than one year, please advise this office on the status of your mining related activity on the anniversary date of your notice.

Enclosed is a copy of the Conditions of Acceptance for BLM Mining Notices, stipulated by the Richfield District, Warm Springs Resource Area. Please follow these guidelines as they pertain to your operation.

Only small, scattered parcels of BLM administered land occur in the area of your notice. Our acceptance of your notice is only effective in so far as BLM administered lands are involved. If you are not the land owner of the adjacent parcels, we recommend that you obtain permission from adjacent land owners before you begin your operations.

A copy of your notice has been sent to the Utah Division of Oil, Gas and Mining (UDOGM); therefore, you will not have to file this notice with them. A copy of your notice has also been sent to the Utah Department of Environmental Quality, Division of Water Quality (DWQ). DWQ should contact you concerning any permits you may need, however, their failure to do so does not absolve you from responsibility for obtaining the same.

Also, all mining claimants and operators intending to use, store, or divert water are required by Utah and Federal statute to notify the following agencies:

Utah Department of Water Resources
1636 West North Temple
Salt Lake City, UT 84180-1203

and

U. S. Army Corps of Engineers
Utah Regulatory Office
1403 South 600 West, Suite A
Bountiful, UT 84010

You are required to report to this office, all hazardous materials associated with your operation along with information regarding their use, storage, transport, quantity, generation and disposal. Information regarding hazardous

materials can be obtained from the State of Utah, Department of Environmental Quality, Division of Solid and Hazardous Waste at:

288 North 1460 West
Salt Lake City, UT 84114-4880

You are required to contact the Department of Environmental Quality (DEQ), Emergency Response Section (ERS) at the Sections 24-hour response number (801-536-4123) immediately of a spill or discharge of hazardous substances.

If you are selling any minerals extracted during your mining activities, the U. S. Department of Labor, Mine Safety and Health Administration (MSHA) may consider your operation to be under its jurisdiction. We recommend you contact them at:

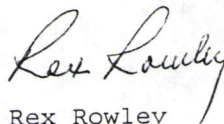
USDOL Mine Safety and Health Administration
125 South State, Room 8220
Salt Lake City, UT 84138

As required by 43 CFR 3809, Surface Management Regulations, reasonable measures must be taken to prevent unnecessary or undue degradation of public lands and reclamation is required at the earliest feasible time. Please notify this office upon completion of operations and reclamation so an inspection may be conducted on the site. Reclamation under this notice is required to conform to the standards of the Utah Mined Land Reclamation Act.

Acceptance of your notice will not now, nor in the future, serve as a determination of the validity nor ownership of any mining claim included under your notice.

If you have any questions regarding this letter, please feel free to contact Ron Teseneer at (801) 743-3126. Thank you for submitting your notice.

Sincerely,



Rex Rowley
Area Manager

Enclosure

Conditions of Acceptance for BLM Mining Notices (p. 3)

cc: D. Wayne Hedberg, UDOGM
Kiran L. Bhayani, DWQ
Leon Smith, Millard County Planning and Zoning
Bill Tanner, USDOL Mine Safety and Health Administration
Gale George, PO Box 196, Kanosh, UT 84637